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**CITY OF WESTLAKE, LOUISIANA  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2000**

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Release Date 1-17-01

CITY OF WESTLAKE, LOUISIANA

ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2000

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CITY OF WESTLAKE, LOUISIANA

June 30, 2000

**MAYOR**

The Honorable Dudley R. Dixon  
Mr. Gerald "Wash" Washington, Mayor Pro-Tempore

**CITY COUNCIL**

Mr. Wally Anderson  
Mr. John Cradure  
Mr. Daniel Cupit

Mr. Walter Hayes  
Mr. Gerald "Wash" Washington

**LEGAL COUNSEL**

Mr. John Van Norman - City Attorney

**CITY CLERK**

Mrs. Holly Fontenot

# McELROY, QUIRK & BURCH

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800 Kirby Street • P.O. Box 3070 • Lake Charles, LA 70602-3070  
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Carl W. Comeaux, CPA  
Barbara Hutson Gonzales, CPA  
Judson J. McCann Jr., CPA  
Martin L. Chehotsky, CPA, CFE\*  
Robert M. Gani, CPA, MT\*\*  
Tina Demarest Barrett, CPA, CVA\*\*\*  
Mollie C. Broussard, CPA

Anne Collette, CPA

\* Certified Fraud Examiner  
\*\* Masters of Taxation  
\*\*\* Certified Valuation Analyst



Charles P. Quirk, CPA, Retired  
Otray J. Woods Jr., CPA, Inactive  
Robert E. Cargile, CPA, Inactive  
William A. Mancuso, CPA, Retired

Charles I. McElroy, CPA (1917-1997)  
Patrick J. Reddin, CPA (1926-1995)  
Frank D. Burch, CPA (1921-1991)

## INDEPENDENT AUDITORS' REPORT

Honorable Dudley R. Dixon, Mayor  
and City Council Members  
City of Westlake, Louisiana

We have audited the accompanying general purpose financial statements and the combining, individual fund and account group financial statements of the City of Westlake, Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Westlake, Louisiana at June 30, 2000 and the results of its operations and changes in cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the aforementioned combining, individual fund and account group financial statements present fairly the financial position of the individual funds and account groups of the City of Westlake, Louisiana at June 30, 2000, and the results of operations of such funds and changes in cash flows of individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 26, 2000, on our consideration of the City of Westlake's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

*Mc Elroy, Quirk & Beach*

Lake Charles, Louisiana  
October 26, 2000

## **COMBINED STATEMENTS - OVERVIEW**



CITY OF WESTLAKE, LOUISIANA

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 2000

<u>ASSETS AND OTHER DEBITS</u>	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash and cash equivalents	\$ 281,596	\$ 24,491	\$ 149,307	\$ 313,649
Investments	305,571	-	-	3,696,831
Receivables:				
Accounts, net of allowances of \$94,500	209,509	-	-	-
Special assessments	-	-	103,613	-
Prepaid insurance, interest	93,829	-	-	-
Due from other funds (Note 7)	666,351	-	-	1,062,821
Inventory, at cost	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Fixed assets (net of accumulated depreciation) (Note 4)	-	-	-	-
Amount available in debt service fund	-	-	-	-
Amount to be provided for retirement of general long- term debt	-	-	-	-
Total assets	<u>\$ 1,556,856</u>	<u>\$ 24,491</u>	<u>\$ 252,920</u>	<u>\$ 5,073,301</u>

## Exhibit A

Proprietary Fund Type	Account Groups		Totals	
	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
			2000	1999
Enterprise				
\$ 387,989	\$ -	\$ -	\$ 1,157,032	\$ 2,109,386
652,170	-	-	4,654,572	2,250,261
264,894	-	-	474,403	261,552
-	-	-	103,613	139,132
43,187	-	-	137,016	132,479
675,846	-	-	2,405,018	2,987,967
23,661	-	-	23,661	13,257
125,845	-	-	125,845	138,955
8,411,811	11,558,290	-	19,970,101	18,831,587
-	-	-	-	206,996
-	-	3,800,000	3,800,000	3,713,004
<u>\$ 10,585,403</u>	<u>\$ 11,558,290</u>	<u>\$ 3,800,000</u>	<u>\$ 32,851,261</u>	<u>\$ 30,784,576</u>

(continued on next page)

CITY OF WESTLAKE, LOUISIANA

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2000

(Continued)

LIABILITIES, OTHER CREDITS AND FUND EQUITY	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities:				
Bank overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	155,486	-	1,341	613
Payable from restricted assets:				
Accrued interest	-	-	30,345	-
Deposits	-	-	-	-
Deferred revenues	-	-	-	167,705
Due to other funds (Note 7)	728,167	-	584,758	16,784
General obligation bonds, notes payable (Note 5)	-	-	-	-
Total liabilities	<u>883,653</u>	<u>-</u>	<u>616,444</u>	<u>185,102</u>
Fund equity:				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Unreserved	-	-	-	-
Fund balance:				
Reserve for prepaid insurance	93,829	-	-	-
Unreserved:				
Designated for subsequent years expenditures	<u>579,374</u>	<u>24,491</u>	<u>(363,524)</u>	<u>4,888,199</u>
Total retained earnings/fund balance	<u>673,203</u>	<u>24,491</u>	<u>(363,524)</u>	<u>4,888,199</u>
Total fund equity	<u>673,203</u>	<u>24,491</u>	<u>(363,524)</u>	<u>4,888,199</u>
Total liabilities and fund equity	<u>\$ 1,556,856</u>	<u>\$ 24,491</u>	<u>\$ 252,920</u>	<u>\$ 5,073,301</u>

See accompanying notes to financial statements

## Exhibit A (Continued)

Proprietary Fund Type	Account Groups		Totals	
	General	General	(Memorandum Only)	
	Fixed	Long-Term		
Enterprise	Assets	Debt	2000	1999
\$ -	\$ -	\$ -	\$ -	\$ 13,765
84,767	-	-	242,207	268,753
-	-	-	30,345	33,320
126,883	-	-	126,883	124,158
6,081	-	-	173,786	118,878
1,075,309	-	-	2,405,018	2,987,967
-	-	3,800,000	3,800,000	3,920,000
1,293,040	-	3,800,000	6,778,239	7,466,841
6,720,918	-	-	6,720,918	6,813,176
-	11,558,290	-	11,558,290	10,658,057
2,571,445	-	-	2,571,445	2,124,075
-	-	-	93,829	71,133
-	-	-	5,128,540	3,651,294
2,571,445	-	-	7,793,814	5,846,502
9,292,363	11,558,290	-	26,073,022	23,317,735
<u>\$ 10,585,403</u>	<u>\$ 11,558,290</u>	<u>\$ 3,800,000</u>	<u>\$ 32,851,261</u>	<u>\$ 30,784,576</u>

CITY OF WESTLAKE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
Year Ended June 30, 2000

	<u>General</u>
Revenues:	
Taxes and special assessments	\$ 352,998
Licenses and permits	194,755
Intergovernmental	183,007
Charges for services	202,702
Fines and forfeits	305,099
Investment income	18,970
Miscellaneous	50,655
Bingo revenues	20,117
Distribution-gaming industry	-
Grant proceeds	34,299
Donations	20,097
Post office lease	75,708
Total revenues	<u>1,458,407</u>
Expenditures:	
Current:	
General government	443,678
Police	899,253
Fire	590,797
Street	298,308
Sanitation	219,071
Cemeteries	15,099
Civil defense	5,231
Relief	18,506
Post office expense	7,518
Grant expenditures	-
Capital outlay	-
Debt service:	
Principal retirement	-
Interest and administrative	-
Assessment write off	-
Total expenditures	<u>2,497,461</u>
Excess (deficiency) of revenues over expenditures	<u>(1,039,054)</u>
Other financing sources (uses):	
Proceeds from bond sale	230,000
Operating transfers in	726,765
Operating transfers out	-
Total other financing sources (uses)	<u>956,765</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(82,289)
Fund balance at beginning of year	<u>755,492</u>
Fund balance at end of year	<u>\$ 673,203</u>

See accompanying notes to financial statements

Governmental Fund Types			Totals	
Special Revenue	Debt Service	Capital Projects	(Memorandum Only) 2000	1999
\$ 1,720,926	\$ -	\$ -	\$ 2,073,924	\$ 1,844,199
-	-	-	194,755	184,618
-	-	-	183,007	541,244
-	-	-	202,702	176,762
-	-	-	305,099	184,075
3,984	24,067	130,135	177,156	108,592
-	-	-	50,655	78,371
-	-	-	20,117	26,337
-	-	2,029,520	2,029,520	1,993,932
-	-	316,386	350,685	75,009
-	-	-	20,097	14,480
-	-	-	75,708	75,708
<u>1,724,910</u>	<u>24,067</u>	<u>2,476,041</u>	<u>5,683,425</u>	<u>5,303,326</u>
5,944	-	161,450	611,072	1,512,814
-	-	-	899,253	919,757
-	-	-	590,797	338,209
-	-	-	298,308	316,851
-	-	-	219,071	174,117
-	-	-	15,099	14,702
-	-	-	5,231	3,843
-	-	-	18,506	6,340
-	-	-	7,518	8,083
-	-	282,421	282,421	-
-	-	431,693	431,693	1,383,622
-	350,000	-	350,000	330,000
-	199,465	43,886	243,351	207,335
-	48,507	-	48,507	207,335
<u>5,944</u>	<u>597,972</u>	<u>919,450</u>	<u>4,020,827</u>	<u>5,215,673</u>
<u>1,718,966</u>	<u>(573,905)</u>	<u>1,556,591</u>	<u>1,662,598</u>	<u>87,654</u>
-	-	-	230,000	-
-	3,385	762,398	1,492,548	2,355,403
(1,735,520)	-	(149,684)	(1,885,204)	(2,274,129)
(1,735,520)	3,385	612,714	(162,656)	81,274
(16,554)	(570,520)	2,169,305	1,499,942	168,928
<u>41,045</u>	<u>206,996</u>	<u>2,718,894</u>	<u>3,722,427</u>	<u>3,553,499</u>
<u>\$ 24,491</u>	<u>\$ (363,524)</u>	<u>\$ 4,888,199</u>	<u>\$ 5,222,369</u>	<u>\$ 3,722,427</u>

CITY OF WESTLAKE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL-GENERAL AND SPECIAL REVENUE FUND TYPES  
Year Ended June 30, 2000

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Taxes (Note 2)	\$ 300,700	\$ 352,998	\$ 52,298
Licenses and permits	186,000	194,755	8,755
Intergovernmental	197,000	183,007	(13,993)
Charges for services	166,390	202,702	36,312
Fines and forfeits	267,500	305,099	37,599
Investment income	3,750	18,970	15,220
Miscellaneous	59,125	50,655	(8,470)
Bingo revenues	17,000	20,117	3,117
Grant proceeds	26,560	34,299	7,739
Donations	16,130	20,097	3,967
Post office lease	-	75,708	75,708
Total revenues	<u>1,240,155</u>	<u>1,458,407</u>	<u>218,252</u>
Expenditures:			
General government	414,828	443,678	(28,850)
Police	870,194	899,253	(29,059)
Fire	421,635	590,797	(169,162)
Street	305,976	298,308	7,668
Sanitation	232,117	219,071	13,046
Cemeteries	14,474	15,099	(625)
Civil defense	5,137	5,231	(94)
Relief	17,841	18,506	(665)
Post office expense	-	7,518	(7,518)
Total expenditures	<u>2,282,202</u>	<u>2,497,461</u>	<u>(215,259)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,042,047)</u>	<u>(1,039,054)</u>	<u>2,993</u>
Other financing sources (uses):			
Bond proceeds	-	230,000	230,000
Operating transfers in	715,000	726,765	11,765
Operating transfers out	-	-	-
Appropriations of prior years' fund balance	327,047	-	(327,047)
Total other financing sources (uses)	<u>1,042,047</u>	<u>956,765</u>	<u>(85,282)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(82,289)	(82,289)
Fund balance at beginning of year	<u>755,492</u>	<u>755,492</u>	<u>-</u>
Fund balance at end of year	<u>\$ 755,492</u>	<u>\$ 673,203</u>	<u>\$ (82,289)</u>

See accompanying notes to financial statements

<u>Special Revenue Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 1,135,050	\$ 1,720,926	\$ 585,876
-	-	-
-	-	-
-	-	-
-	-	-
-	3,984	3,984
-	-	-
-	-	-
-	-	-
-	-	-
<u>1,135,050</u>	<u>1,724,910</u>	<u>589,860</u>
-	5,944	(5,944)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>5,944</u>	<u>(5,944)</u>
<u>1,135,050</u>	<u>1,718,966</u>	<u>583,916</u>
-	-	-
-	-	-
(1,135,050)	(1,735,520)	(600,470)
<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,135,050)</u>	<u>(1,735,520)</u>	<u>(600,470)</u>
-	(16,554)	(16,554)
<u>41,045</u>	<u>41,045</u>	<u>-</u>
<u>\$ 41,045</u>	<u>\$ 24,491</u>	<u>\$ (16,554)</u>



## CITY OF WESTLAKE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES, CHANGES IN RETAINED  
EARNINGS AND CHANGES IN CONTRIBUTED CAPITAL-ALL PROPRIETARY FUND TYPES  
Years Ended June 30, 2000 and 1999

	<u>Enterprise Fund</u>	
	<u>2000</u>	<u>1999</u>
Operating revenues:		
Charges for services	<u>\$ 2,323,518</u>	<u>\$ 2,268,605</u>
Operating expenses:		
Personal services	659,410	550,608
Contractual services	76,630	71,963
Supplies and other expenses	638,027	665,712
Heat, light and power	78,540	73,116
Natural gas for resale	576,040	495,131
Depreciation and amortization	<u>441,651</u>	<u>436,932</u>
Total operating expenses	<u>2,470,298</u>	<u>2,293,462</u>
Operating (loss)	<u>(146,780)</u>	<u>(24,857)</u>
Nonoperating revenues (expenses):		
Tap fees	13,767	8,974
Interest income	92,292	88,201
Miscellaneous	3,205	2,742
Interest and fiscal charges	<u>(19)</u>	<u>(1,025)</u>
Total nonoperating revenues	<u>109,245</u>	<u>98,892</u>
Income (loss) before operating transfers	(37,535)	74,035
Operating transfers in (out)	<u>392,647</u>	<u>(81,274)</u>
Net income (loss)	355,112	(7,239)
Retained earnings at beginning of year	2,124,075	2,039,056
Add (subtract):		
Depreciation on fixed assets acquired with federal and state grants	<u>92,258</u>	<u>92,258</u>
Retained earnings at end of year	<u>\$ 2,571,445</u>	<u>\$ 2,124,075</u>
Contributed capital, beginning of year	\$ 6,813,176	\$ 6,905,434
Depreciation on fixed assets acquired with federal and state grants	<u>92,258</u>	<u>92,258</u>
Contributed capital, end of year	<u>\$ 6,720,918</u>	<u>\$ 6,813,176</u>

See accompanying notes to financial statements

## CITY OF WESTLAKE, LOUISIANA

COMBINED STATEMENTS OF CASH FLOWS -  
 ALL PROPRIETARY FUND TYPES  
 Years Ended June 30, 2000 and 1999

	Enterprise Fund	
	2000	1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 2,279,739	\$ 2,279,645
Cash payments to suppliers for goods and services	(1,307,587)	(1,433,217)
Cash payments to employees for services	(659,411)	(550,608)
Net cash provided by operating activities	<u>312,741</u>	<u>295,820</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Net operating transfers in	392,647	(81,274)
Tap fees received	13,767	8,974
Other nonoperating income	<u>3,186</u>	<u>2,742</u>
Net cash provided by (used in) noncapital financing activities	<u>409,600</u>	<u>(69,558)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal received from other funds	-	672,463
Principal payments to other funds	(445,795)	(17,745)
Principal paid on revenue bond maturities and equipment contracts	-	(53,000)
Interest paid on revenue bonds and equipment contracts	-	(1,025)
Proceeds from sale of assets	-	930
Acquisition and construction of fixed assets	<u>(679,934)</u>	<u>(738,540)</u>
Net cash (used in) capital and related financing activities	<u>(1,125,729)</u>	<u>(136,917)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	<u>92,293</u>	<u>88,201</u>
Net increase (decrease) in cash and cash equivalents	(311,095)	177,546
Cash and cash equivalents:		
Beginning of year	<u>1,477,099</u>	<u>1,299,553</u>
End of year	<u>\$ 1,166,004</u>	<u>\$ 1,477,099</u>

(continued on next page)

## CITY OF WESTLAKE, LOUISIANA

COMBINED STATEMENTS OF CASH FLOWS-  
 ALL PROPRIETARY FUND TYPES  
 Years Ended June 30, 2000 and 1999

	<u>Enterprise Fund</u>	
	<u>2000</u>	<u>1999</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating (loss)	\$ (146,780)	\$ (24,857)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	441,652	436,932
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(43,780)	11,540
(Increase) decrease in inventory	(10,403)	75
(Increase) decrease in prepaid insurance	13,952	(9,620)
Increase in deferred revenue	6,081	-
Increase (decrease) in bank overdraft	(13,765)	13,765
Increase (decrease) in accounts payable	<u>65,784</u>	<u>(132,015)</u>
Net cash provided by operating activities	<u>\$ 312,741</u>	<u>\$ 295,820</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000

1) Summary of Significant Accounting Policies

The City of Westlake was incorporated on December 1, 1945, under the provisions of the Lawrason Act. The City operates a Mayor-City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, recreation, public improvements, and general administrative services.

The accounting policies of the City of Westlake conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies.

A. Financial Reporting Entity

The accompanying financial statements include the various departments, activities, and organizational units that are within the control and authority of the Mayor and Board of Aldermen of the City of Westlake, Louisiana. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board. This statement defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based on the foregoing criteria, the City of Westlake has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of the City of Westlake.

## B. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into five generic fund types and two broad fund categories as follows:

### GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Also included is the repayment of special assessment debt and the support provided through special assessment taxes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

### PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.



## ACCOUNT GROUPS

General Fixed Assets - The general fixed assets account group accounts for all fixed assets acquired or constructed for use by the City, other than those accounted for in the proprietary fund.

General Long-Term Debt - The general long-term debt account group accounts for long-term obligations not recorded in the proprietary fund.

### C. Fixed Assets

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All assets are valued at historical cost. Donated fixed assets are stated at their estimated value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Production and distribution system	20-50 years
Buildings	20 years
Improvements other than buildings	20-50 years
Machinery and equipment	5-10 years
Data processing equipment	5-10 years

### D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using a financial resources measurement focus whereby only current assets and current liabilities generally are included on the balance sheet and increases or decreases in net current assets are presented in the operating statements. These funds utilize the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Certain revenues such as sales tax, property tax, and charges for services are assessed and collected in such a manner that they can be accrued appropriately. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on general long-term debt which are recognized when due. Also, expenditures for accrued compensated absences are not recognized until they are payable from current available financial resources.

The proprietary funds are accounted for and reported using a flow of economic resources measurement focus. This means that all assets and liabilities associated with the operation of these funds are included on the balance sheet and fund equity consists of contributed capital and retained earnings. The operating statements for the proprietary funds presents increases or decreases in net total assets. These funds utilize the accrual basis of accounting.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the General Fixed Assets Account Group. The City has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. The City has general long-term debt of \$3,800,000 general obligation serial bonds due in annual installments of varying amounts through November 1, 2007.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

The Governmental Accounting Standards Board (GASB) Statement Number 20 (effective for financial statements for periods beginning after December 15, 1993) provides guidance on accounting and financial reporting for proprietary fund types and allows proprietary fund types to choose one of two options in applying pronouncements issued by the Financial Accounting Standards Board (FASB) after November 30, 1989. The City of Westlake has

elected to use the first option for reporting its activities. This approach applies all GASB pronouncements and FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Changes to FASB statements and interpretations, APB opinions and ARBs issued after November 30, 1989, would not apply unless adopted by GASB.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### E. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 15, the Accountant submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Hall to obtain comments from the public.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. Amendments to the budget are approved by the City Council by a formal adoption of an ordinance.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the City Council.
7. All budgetary appropriations lapse at the end of each fiscal year.
8. Budgetary amendments involving increases in expenditures resulting from revenues exceeding expenditures requires the approval of the City Council.



9. The budget and actual comparison presented in Exhibit C in the accompanying financial report includes the General Fund and Special Revenue Funds. The capital budget ordinances which encompass the Capital Projects Funds present cumulative as opposed to annual budget amounts and thus budget and actual comparisons are not reported in the accompanying financial report for these funds.
10. The City Charter provides that expenditures cannot legally exceed appropriations within any fund of the City.
11. Encumbrance accounting is not used.

F. Investments

Investments and certificates of deposit are stated at fair market value for the years ended June 30, 2000 and 1999 due to a change in the method of presenting investments required by GASB Statement No. 31.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. General Fund inventories are accounted for under the consumption method where expenditures are recorded when the goods are used.

H. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations.

I. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

J. Reclassification

Certain amounts for the 1999 financial statements have been reclassified to conform with the 2000 presentation. Such reclassifications have no effect on the excess (deficiencies) of revenues and other financing sources over expenditures and other financing uses or fund balances.

K. Bad Debts

Uncollectible amounts due for ad valorem taxes, customers' utility receivables, and special assessments are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. This method does not result in a charge to bad debts that is materially different from the amount that would be charged if the reserve method were used.

L. Cash, Cash Equivalents and Investments

Cash balances of all funds are invested. Interest earned on these investments is distributed to the individual funds on the basis of invested balances of the participating funds during the year. All highly liquid debt instruments with an original maturity of three months or less from date of purchase are considered cash equivalents. See also Note 2 for additional disclosures related to cash and investments.

In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Board has stated their investments are presented at fair value at June 30, 2000. Fair value was determined by obtaining "quoted" year end market prices.

Louisiana State Statutes, as stipulated in R.S. 39:1271, authorize the City to invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost.

M. Reserves

The City records reserves to indicate that a portion of the fund balance or retained earnings is legally segregated for a specific future use. The following is a list of all reserves used by the City and a description of each as of June 30, 2000:

	<u>Reserved</u>
General fund - Reserve for prepaid expenses	<u>\$ 93,829</u>

N. Restricted Assets

These assets consist of cash and investments restricted for various purposes as detailed in Note 11.

O. Accumulated Unpaid Sick Pay

Accumulated unpaid sick pay was not considered material at June 30, 2000 and is not reflected in these financial statements.

2) Cash and Investments

Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U.S. Government, obligations issued or guaranteed by an agency established by the U.S. Government, general obligation bonds of any state of the U.S., or any Louisiana parish, municipality, or school district. The City's bank and demand and time deposits at year end were entirely covered by federal depository insurance or by pledge of securities owned by the financial institution in the City's name.

Following are deposits of the City at year end categorized to give an indication of the level or risk assumed by the City. Category 1 includes deposits that are insured (inclusive of FDIC) or collateralized with securities held by the City or its agent in the name of the City. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the name of the City. Category 3 includes deposits uncollateralized including any securities held for the entity but not in the City's name.

	Category			Bank	Carrying
	1	2	3	Amount	Balance
Deposits:					
Demand deposits,					
interest bearing	<u>\$ 200,000</u>	<u>\$ 1,085,004</u>	<u>\$ -</u>	<u>\$ 1,434,737</u>	<u>\$ 1,282,877</u>

Investments:

Louisiana state statutes authorize the City to invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, investment as stipulated in R.S. 39:1271, or any other federally insured investment, or in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.



The City's deposits and investments are categorized above in accordance with GASB Statement No. 3 to give an indication of the level of risk assumed at year end. Category 1, which represents the lowest level of risk, includes investments and deposits that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with the securities held by the financial institution's trust department or agent in the City's name. Category 3, which represents the greatest level of risk, includes uninsured and unregistered investments or deposits which are not protected by collateral, or for which securities are not held in the City's name.

	Category			Cost	Fair Value
	1	2	3		
Investments:					
US Treasury securities	\$ -	\$ 2,103,951	\$ -	\$ 2,103,951	\$ 1,939,815
LAMP	-	-	-	2,714,757	2,714,757
Total investments	-	2,103,951	-	\$ 4,818,708	\$ 4,654,572
Total deposits and investments	\$ 200,000	\$ 3,188,955	\$ -		

Investments held at June 30, 2000, consist of \$2,714,757 in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). LAMP investments at June 30, 1999 totaled \$389,638. In accordance with GASB Codification Section 150.165 the investment in LAMP at June 30, 2000, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designated to be highly liquid to give its participants immediate access to their account balances.

The City had unrealized losses on certain investments at June 30, 2000 in the amount of \$164,136. The City plans to hold all investments until maturity.

In order to accurately compare the cash and investments shown on the comparative balance sheets with the carrying values of deposits and investments disclosed in the schedules above, the following is provided at June 30, 2000:

Carrying value of bank deposits	\$ 1,282,877
Fair value of investments	<u>4,654,572</u>
	<u>\$ 5,937,449</u>
Per comparative balance sheets:	
Cash and cash equivalents	\$ 1,157,032
Investments	4,654,572
Restricted cash and cash equivalents	<u>125,845</u>
	<u>\$ 5,937,449</u>

### 3) Property Tax

Taxes are levied on June 1, billed on November 1, and payable by December 31. The City bills and collects its own property taxes. City property tax revenues are recognized when billed to the extent that they result in current receivables. Unpaid taxes are delinquent by January 1st. Sale of delinquent properties is held once a year.

The total millage is 6.32 divided as follows:

	<u>Millage</u>	<u>Tax Collected</u>
General purpose tax	6.32	\$ 95,347

### 4) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance 7-1-99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6-30-00</u>
Land	\$ 3,578,553	\$ -	\$ -	\$ 3,578,553
Building	5,144,192	566,886	-	5,711,078
Equipment	1,711,923	307,361	-	2,019,284
Construction in progress	<u>223,389</u>	<u>25,986</u>	<u>-</u>	<u>249,375</u>
	<u>\$ 10,658,057</u>	<u>\$ 900,233</u>	<u>\$ -</u>	<u>\$ 11,558,290</u>

A summary of proprietary fund type property, plant and equipment at June 30, 2000 and 1999 follows:

	Enterprise Fund	
	2000	1999
Land	\$ 54,429	\$ 54,429
Production and distribution	14,673,512	14,105,962
Buildings	93,384	93,384
Machinery, equipment, vehicles	<u>1,078,095</u>	<u>965,712</u>
Total	15,899,420	15,219,487
Less accumulated depreciation	<u>7,487,609</u>	<u>7,045,957</u>
Net	<u>\$ 8,411,811</u>	<u>\$ 8,173,530</u>

5) Changes in Fund Long-Term Debt

The following is a summary of revenue bond and long-term note transactions of the City for the year ended June 30, 2000:

General long-term debt:

Certificates of indebtedness payable at July 1, 1999	\$ 3,920,000
Certificates of indebtedness issued	230,000
Certificates of indebtedness retired	<u>(350,000)</u>
Certificates of indebtedness payable at June 30, 2000	<u>\$ 3,800,000</u>

Bonds payable at June 30, 2000 are comprised of the following individual issues:

General obligation bonds:

\$4,250,000 1997 general serial bonds due in annual installments varying in amounts through November 1, 2007; interest at 5.1%	\$ 3,570,000
\$230,000 2000 general serial bonds due in annual installments varying in amounts through November 1, 2004; interest at 5.25%	<u>230,000</u>
	<u>\$ 3,800,000</u>

The annual requirements to amortize all debt outstanding as of June 30, 2000, including interest payments of \$810,782 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>General</u> <u>Obligation</u>
2001	\$ 588,788
2002	597,304
2003	594,541
2004	595,628
2005	595,435
2006	545,280
2007	545,163
2008	<u>548,643</u>
	<u>\$ 4,610,782</u>

6) Deficit Fund Balance or Retained Earnings

As of June 30, 2000, the Debt Service Fund had a deficit in fund balance of \$(363,524).

7) Interfund receivables and payables were as follows at June 30, 2000:

<u>Fund</u>	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
General	\$ 666,351	\$ 728,167
Debt Service	-	584,758
Capital Projects	1,062,821	16,784
Enterprise	<u>675,846</u>	<u>1,075,309</u>
	<u>\$ 2,405,018</u>	<u>\$ 2,405,018</u>

8) Capital Project Fund

The capital project fund is being used to account for the construction of improvements to the municipal waterworks system and various streets within the City. Financing for the improvements is being provided by the renewal of a one cent sales tax. The work will entail water line relocation and the replacement of shell and asphalt streets with concrete. Additional capital projects include construction of a federal post office which will be funded by rental income from the U.S. Postal Service. Also, construction of the Municipal City Hall Complex and acquisition and development of North Westlake and Olin properties which are funded by general obligation debt of \$4,250,000. The long-term debt will be repaid from gaming industry distributions.

9) Delinquent Assessments

The City is contingently liable for amounts shown as delinquent assessment receivables. The total amount delinquent for the fiscal year ended June 30, 2000 was \$10,361.

10) Dedication of Proceeds and Flow of Funds - Two and One-Half Percent Sales Tax

Proceeds of the two percent sales tax levied by the City of Westlake are collectible by the Sales Tax Fund and are dedicated and distributed as follows:

- A. One percent of the two percent collected is distributed to the Capital Projects Fund for the Water Fund/Street Improvement Program. This tax expires on June 30, 2007.
- B. An amount equal to .25 of one percent is transferred to the General Fund Street Department. This tax is a perpetual tax.
- C. An amount equal to .05 of one percent is transferred to the General Fund Police Department. This tax is a perpetual tax.
- D. An amount equal to .35 of one percent is distributed to the General Fund Fire Department. This tax is a perpetual tax.
- E. An amount equal to .35 of one percent is distributed to the Water Works Enterprise Fund. This tax is a perpetual tax.

Proceeds of the one-half percent sales tax, which was renewed on October 1, 1997 and is to run for ten years is dedicated to the following:

- A. The sales tax is to be used for the operation and maintenance of the Westlake Police Department.

11) Restricted Assets - Proprietary Fund Type

Restricted assets were applicable to the following at June 30, 2000:

	<u>2000</u>	<u>1999</u>
Customer deposits	<u>\$ 125,845</u>	<u>\$ 138,955</u>



## 12) Pension Plan

### Municipal Police Employees Retirement System

#### Plan Description:

The City of Westlake contributes to the Municipal Police Employees' Retirement System, a cost-sharing multiple employer plan administered by the Municipal and State Police Employee's Retirement System of Louisiana. The Municipal Police Employees' Retirement System was established as of July 1, 1973, by Act 189 of 1973 and amended by RS 33:2371 of the 1986 session to become Municipal and State Police Retirement System of Louisiana. The System is a state retirement system which was created to provide retirement benefits for full time municipal police officers in Louisiana, and state police officers hired after January 1, 1987. The System is administered by a Board of Trustees of the Retirement Committee of the House of Representatives and the Chairman of the Senate Finance Committee, or their designees, to serve as voting ex-officio members of the Board. Historical trend information for this plan is included in the separately issued report for the Municipal Employee's Retirement System for the period ended June 30, 1999.

#### Funding Policy:

Plan members are required to contribute 7.5% of their annual covered salary and the City of Westlake is required to contribute at a statutorily determined rate. The current rate is 9% of annual covered payroll. The contribution requirements of plan members and the City of Westlake are established and may be amended by the Board of Trustees. The City of Westlake's contributions to the Municipal Police Employees' Retirement System for the years ending June 30, 2000, 1999, and 1998 were \$84,139, \$70,182, and \$66,576, respectively, equal to the required contributions for each year.

### Municipal Employee's Retirement System

#### Plan Description:

The City of Westlake contributes to the Municipal Employees' Retirement System of Louisiana, a cost-sharing multiple-employer plan administered by the Municipal Employee's Retirement System, State of Louisiana. The Municipal Employees' Retirement System of Louisiana was established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated villages, towns and cities within the State, which did not have their own retirement systems and which elected to become members of the System. The System is administered by a Board of Trustees composed of nine members, six of whom shall be active and contributing members of the System with at least ten years creditable service, elected by the members of the System; one of whom shall be the president of

the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be the Chairman of the Senate Retirement Committee; one of whom shall be the Chairman of the House Retirement Committee of the Legislature of Louisiana. Act #569 of the year 1968 established by the Legislature of the State of Louisiana provides an optional method for municipalities to cancel Social Security and come under supplementary benefits in the Municipal Employees' Retirement System, effective on and after June 30, 1970. Effective October 1, 1978, under Act #788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B". Plan "A" combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan "B" participates in only the original plan. The City of Westlake is a member of plan "A" of the retirement system. Historical trend information for this plan is included in the separately issued report for the Municipal Employee's Retirement System for the period ended June 30, 1999.

#### *Funding Policy:*

Plan members are required to contribute 9.25% of their annual covered salary and the City of Westlake is required to contribute at a statutorily determined rate. The current rate is 5.75% of annual covered payroll. The contribution requirements of plan members and the City of Westlake are established and may be amended by the Board of Trustees. The City of Westlake's contributions to the Municipal Employees' Retirement System of Louisiana for the years ending June 30, 2000, 1999, and 1998 were \$105,002, \$112,677, and \$126,315, respectively, equal to the required contributions for each year.

#### 13) Litigation

Two suits have been filed in connection with the alleged expiration of a 1% sales tax seeking refund of sales taxes paid. According to legal counsel, the two suits have been consolidated for hearing and trial and are presently pending. Attempts to resolve or settle this matter have been unsuccessful at this time and a trial date has not been established. The City is vigorously contesting the two suits. It is the opinion of legal counsel that the City of Westlake does have liability exposure, but it would only be to the extent of each of the claimants request for refund and not pursuant to a class action.

An employment discrimination claim has been filed with the EEOC against the City. Mediation was held and the claim was not settled. The EEOC will either pursue the claim or issue a right to sue letter. It is the opinion of legal counsel that the City of Westlake does not have any liability exposure for the claim.

The City has various other threatened or pending lawsuits lodged against it. It is the opinion of legal counsel that all of the claims are adequately covered by the City's liability insurance.

#### 14) Segment Information for Enterprise Funds

The City maintains three enterprise funds which provide utilities (electricity, water and sewer, and data processing services). Segment information for the year ended June 30, 2000 was as follows:

	<u>Gas Fund</u>	<u>Water and Sewer Fund</u>	<u>Data Processing Fund</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$ 1,388,993	\$ 812,784	\$ 121,741	\$ 2,323,518
Depreciation and amortization	95,618	289,643	56,390	441,651
Operating transfers in (out)	39,758	339,582	13,307	392,647
Net income (loss)	124,866	251,518	(21,272)	356,112
Net working capital	(256,262)	1,027,664	109,150	880,552
Total assets	1,775,181	8,531,560	278,662	10,585,403
Total equity	810,767	8,244,775	236,821	9,292,363

#### 15) Excess of Expenditures Over Appropriations

Expenditures and other financing uses for the current year exceeded appropriations for the following funds:

	<u>Budget</u>	<u>Actual</u>	<u>Variance (Unfavorable)</u>
General fund	\$ 2,282,202	\$ 2,497,461	\$ (215,259)
Special revenue fund	-	5,944	(5,944)

#### 16) Cooperative Agreement

During the fiscal year ended June 30, 1996, the City entered into a cooperative agreement with the Calcasieu Parish Police Jury, whereby the City will receive \$1,000,000 per year. This payment is to provide funding to the City to offset the effects of the location of a river boat casino at a site known as the Burton Shell Yard. This amount will be paid evenly over four quarters each year as long as the owner of the river boat pays such amount to the Police Jury.

In the event the owner ceases operation of the casino at any time within six years of the opening date, the Police Jury and the City have agreed to an equal division of a \$1,000,000 annual cash payment.

This obligated annual payment will stop at any time the City begins the levying or collection of a head or similar tax from a river boat berthed in the City, unless the City agrees to contribute an amount to the Police Jury equal to the \$1,000,000 from any proceeds it receives from any river boat berthed in the City.

The City Council has restricted these funds for use in Capital Projects only and not for operations of the City.

17) Rental Agreement

The City of Westlake and the United States Postal Service entered into an agreement to rent a newly constructed postal facility site developed by the City of Westlake on May 15, 1999 and ending May 14, 2013 for a total of 15 years. The annual rent for the facility is set at \$75,708, payable in monthly installments of \$6,309. The lease may be renewed at the option of the U.S. Postal Service for 2 five year terms at an annual rental of \$75,708.

**FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS  
AND ACCOUNT GROUPS**

## **GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.



CITY OF WESTLAKE, LOUISIANA  
GENERAL FUND

COMPARATIVE BALANCE SHEET  
June 30, 2000 and 1999

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Cash	\$ 281,596	\$ 295,392
Investments	305,571	85,519
Accounts receivable, net of allowances of \$12,285	209,509	40,438
Prepaid expenses	93,829	71,133
Due from other funds	<u>666,351</u>	<u>1,053,157</u>
Total assets	<u>\$ 1,556,856</u>	<u>\$ 1,545,639</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 155,486	\$ 213,819
Due to other funds	<u>728,167</u>	<u>576,328</u>
Total liabilities	<u>883,653</u>	<u>790,147</u>
Fund balance:		
Reserved for prepaid expenses	93,829	71,133
Unreserved:		
Designated for subsequent year's expenditures	<u>579,374</u>	<u>684,359</u>
Total fund balance	<u>673,203</u>	<u>755,492</u>
Total liabilities and fund balance	<u>\$ 1,556,856</u>	<u>\$ 1,545,639</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 2000  
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
<b>Revenues:</b>				
Taxes	\$ 300,700	\$ 352,998	\$ 52,298	\$ 342,879
Licenses and permits	186,000	194,755	8,755	184,618
Intergovernmental	197,000	183,007	(13,993)	190,995
Charges for services	166,390	202,702	36,312	176,762
Fines and forfeits	267,500	305,099	37,599	184,075
Investment income	3,750	18,970	15,220	12,078
Miscellaneous	59,125	50,655	(8,470)	78,371
Bingo/video poker revenues	17,000	20,117	3,117	26,337
Grant proceeds	26,560	34,299	7,739	75,009
Donations 16,130	20,097	3,967	14,480	
Post office lease	-	75,708	75,708	75,708
Total revenues	<u>1,240,155</u>	<u>1,458,407</u>	<u>218,252</u>	<u>1,361,312</u>
<b>Expenditures:</b>				
General government	414,828	443,678	(28,850)	385,926
Police	870,194	899,253	(29,059)	919,757
Fire	421,635	590,797	(169,162)	338,209
Street	305,976	298,308	7,668	316,851
Sanitation	232,117	219,071	13,046	174,117
Cemeteries	14,474	15,099	(625)	14,702
Civil defense	5,137	5,231	(94)	3,843
Relief	17,841	18,506	(665)	6,340
Post office expense	-	7,518	(7,518)	8,083
Total expenditures	<u>2,282,202</u>	<u>2,497,461</u>	<u>(215,259)</u>	<u>2,167,828</u>
Excess (deficiency) of revenues over expenditures	<u>(1,042,047)</u>	<u>(1,039,054)</u>	<u>2,993</u>	<u>(806,516)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	715,000	726,765	11,765	1,103,100
Operating transfers (out)	-	-	-	(67,625)
Bond proceeds	-	230,000	230,000	-
Appropriations of prior years' fund balance	<u>327,047</u>	<u>-</u>	<u>(327,047)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,042,047</u>	<u>956,765</u>	<u>(82,289)</u>	<u>1,035,475</u>
Excess (deficiency) of revenues and other sources over expenditures	-	(82,289)	(82,289)	228,959
Fund balance at beginning of year	<u>755,492</u>	<u>755,492</u>	<u>-</u>	<u>526,533</u>
Fund balance at end of year	<u>\$ 755,492</u>	<u>\$ 673,203</u>	<u>\$ (82,289)</u>	<u>\$ 755,492</u>

See accompanying notes to financial statements



CITY OF WESTLAKE, LOUISIANA  
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 2000  
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
General government:				
Personal services	\$ 169,608	\$ 170,768	\$ (1,160)	\$ 138,016
Supplies	40,200	41,835	(1,635)	64,978
Other services and charges	<u>205,020</u>	<u>231,075</u>	<u>(26,055)</u>	<u>182,932</u>
Total general government	<u>414,828</u>	<u>443,678</u>	<u>(28,850)</u>	<u>385,926</u>
Public safety:				
Police:				
Personal services	616,394	663,548	(47,154)	586,947
Supplies	23,500	24,540	(1,040)	18,355
Other services and charges	171,800	199,126	(27,326)	153,860
Capital outlay	<u>58,500</u>	<u>12,039</u>	<u>46,461</u>	<u>160,595</u>
Total police	<u>870,194</u>	<u>899,253</u>	<u>(29,059)</u>	<u>919,757</u>
Fire:				
Personal services	296,635	286,229	10,406	236,163
Supplies	14,800	15,535	(735)	15,478
Other services and charges	53,950	57,992	(4,042)	75,237
Capital outlay	<u>56,250</u>	<u>231,041</u>	<u>(174,791)</u>	<u>11,331</u>
Total fire	<u>421,635</u>	<u>590,797</u>	<u>(169,162)</u>	<u>338,209</u>
Streets:				
Personal services	150,036	152,354	(2,318)	128,837
Supplies	17,150	17,006	144	20,837
Other services and charges	136,090	126,426	9,664	151,523
Capital outlay	<u>2,700</u>	<u>2,522</u>	<u>178</u>	<u>15,654</u>
Total streets	<u>305,976</u>	<u>298,308</u>	<u>7,668</u>	<u>316,851</u>
Sanitation:				
Other services and charges	<u>232,117</u>	<u>219,071</u>	<u>13,046</u>	<u>174,117</u>
Cemeteries:				
Personal services	3,674	3,669	5	3,751
Other services and charges	<u>10,800</u>	<u>11,430</u>	<u>(630)</u>	<u>10,951</u>
Total cemeteries	<u>14,474</u>	<u>15,099</u>	<u>(625)</u>	<u>14,702</u>

(continued on next page)

CITY OF WESTLAKE, LOUISIANA  
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 2000  
With Comparative Actual Amounts for Year Ended June 30, 1999  
(Continued)

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Civil defense:				
Personal services	1,427	1,405	22	1,417
Other services and charges	3,455	3,573	(118)	2,426
Capital outlay	<u>255</u>	<u>253</u>	<u>2</u>	<u>-</u>
Total civil defense	<u>5,137</u>	<u>5,231</u>	<u>(94)</u>	<u>3,843</u>
Relief:				
Other services and charges	<u>17,841</u>	<u>18,506</u>	<u>(665)</u>	<u>6,340</u>
Post office:				
Other services and charges	<u>-</u>	<u>7,518</u>	<u>(7,518)</u>	<u>8,083</u>
	<u>\$ 2,282,202</u>	<u>\$ 2,497,461</u>	<u>\$ (215,259)</u>	<u>\$ 2,167,828</u>

See accompanying notes to financial statements

### **SPECIAL REVENUE FUNDS**

SALES TAX FUND - to account for the collection of the 2 1/2% Sales and Use tax which is to be used for purposes specified by City Ordinance #598.

CITY OF WESTLAKE, LOUISIANA  
SALES TAX SPECIAL REVENUE FUND

BALANCE SHEET  
June 30, 2000  
With Comparative Totals for June 30, 1999

<u>ASSETS</u>	<u>Totals</u>	
	<u>2000</u>	<u>1999</u>
Cash	<u>\$ 24,491</u>	<u>\$ 41,045</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	\$ -	\$ -
Fund balance:		
Unreserved:		
Designated for subsequent year's expenditures	<u>24,491</u>	<u>41,045</u>
Total liabilities and fund balance	<u>\$ 24,491</u>	<u>\$ 41,045</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
SALES TAX SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 2000  
With Comparative Totals for Year Ended June 30, 1999

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Taxes	\$ 1,135,050	\$ 1,720,926	\$ 585,876	\$ 1,501,320
Interest	-	3,984	3,984	1,772
Total revenues	1,135,050	1,724,910	589,860	1,503,092
Expenditures:				
General government	-	5,944	(5,944)	13,848
Excess of revenues over expenditures	1,135,050	1,718,966	583,916	1,489,244
Other financing (uses):				
Operating transfers out	1,135,050	1,735,520	(600,470)	1,453,044
Excess (deficiency) of revenues over expenditures and other uses	-	(16,554)	(16,554)	36,200
Fund balances at beginning of year	41,045	41,045	-	4,845
Fund balances at end of year	\$ 41,045	\$ 24,491	\$ (16,554)	\$ 41,045

See accompanying notes to financial statements

### **DEBT SERVICE FUNDS**

Debt Service Funds - to account for the payment of interest and principal on all general obligation debt. To account for the repayment of special assessment debt and the revenue provided through special assessment taxes.



CITY OF WESTLAKE, LOUISIANA  
DEBT SERVICE FUND

COMPARATIVE BALANCE SHEET  
June 30, 2000 and 1999

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Cash	\$ 149,307	\$ 748,602
Special assessments-receivable-current	93,252	125,219
Special assessments-receivable-delinquent	10,361	13,913
Prepaid interest	<u>-</u>	<u>4,207</u>
Total assets	<u>\$ 252,920</u>	<u>\$ 891,941</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,341	\$ -
Due to other funds	584,758	651,625
Interest payable	<u>30,345</u>	<u>33,320</u>
Total liabilities	616,444	684,945
Fund balance:		
Reserved for special assessments	<u>(363,524)</u>	<u>206,996</u>
Total liabilities and fund balance	<u>\$ 252,920</u>	<u>\$ 891,941</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
DEBT SERVICE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE

Fiscal Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Revenues:		
Interest on investments	\$ <u>24,067</u>	\$ <u>41,703</u>
Expenditures:		
Administrative charges	6,078	1,272
Principal retirement	350,000	330,000
Interest expense	193,387	204,025
Assessment write off	<u>48,507</u>	<u>-</u>
Total expenditures	<u>597,972</u>	<u>535,297</u>
(Deficiency) of revenues over expenditures before transfers	(573,905)	(493,594)
Transfers in	<u>3,385</u>	<u>603,341</u>
Excess (deficiency) of revenues over expenditures	(570,520)	109,747
Fund balance at beginning of year	<u>206,996</u>	<u>97,249</u>
Fund balance at end of year	<u>\$ (363,524)</u>	<u>\$ 206,996</u>

See accompanying notes to financial statements

## **CAPITAL PROJECTS FUNDS**

### **General Capital Project Fund:**

To account for the construction of improvements to water lines (replacement) and to replace all asphalt and shell roads with concrete;

To account for construction costs of new federal post office;

To account for construction of new municipal complex; and

To account for purchase, development and construction of Olin and North Westlake properties.

CITY OF WESTLAKE, LOUISIANA  
CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEET  
June 30, 2000  
With Comparative Totals for June 30, 1999

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Cash	\$ 313,649	\$ 782,963
Investments	3,696,831	1,067,982
Due from other funds	<u>1,062,821</u>	<u>1,216,416</u>
Total assets	<u>\$ 5,073,301</u>	<u>\$ 3,067,361</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 613	\$ 33,227
Deferred revenues	167,705	118,878
Due to other funds	<u>16,784</u>	<u>196,362</u>
Total liabilities	185,102	348,467
Fund balance:		
Designated for construction	<u>4,888,199</u>	<u>2,718,894</u>
Total liabilities and fund balance	<u>\$ 5,073,301</u>	<u>\$ 3,067,361</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
Year Ended June 30, 2000  
With Comparative Totals for Year Ended June 30, 1999

	<u>2000</u>	<u>1999</u>
Revenues:		
Distribution-gaming industry	\$ 2,029,520	\$ 1,993,932
Federal emergency assistance	-	350,249
Investment income	130,135	53,039
Grant proceeds	<u>316,386</u>	<u>-</u>
Total revenues	<u>2,476,041</u>	<u>2,397,220</u>
Expenditures:		
North Westlake property	25,986	224,394
Federal post office	-	15,912
Municipal complex	135,464	872,734
Construction/Street improvement	431,422	1,352,720
Construction/Holly Hill Circle	-	18,102
Construction supplies-streets and water	271	12,800
Grant expenditures - CDBG, share	282,421	-
Administrative costs-grants	34,064	-
Administrative costs	<u>9,822</u>	<u>2,038</u>
Total expenditures	<u>919,450</u>	<u>2,498,700</u>
Excess (deficiency) of revenues over expenditures before transfers	<u>1,556,591</u>	<u>(101,480)</u>
Other financing sources (uses):		
Transfers in	762,398	648,962
Transfers out	<u>(149,684)</u>	<u>(753,460)</u>
Total other financing sources (uses)	<u>612,714</u>	<u>(104,498)</u>
Excess (deficiency) of revenues over expenditures	2,169,305	(205,978)
Fund balance at beginning of year	<u>2,718,894</u>	<u>2,924,872</u>
Fund balance at end of year	<u>\$ 4,888,199</u>	<u>\$ 2,718,894</u>

See accompanying notes to financial statements

## **ENTERPRISE FUND**

**GAS UTILITY FUND** - to account for the natural gas service to the residents of the City and some residents of the parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

**WATER AND SEWER FUND** - to account for water and sewer services to the residents of the City and some residents of the parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

**DATA PROCESSING FUND** - to account for computer billing and meter reading for customers which are composed of six neighboring municipalities or governmental units and the City of Westlake. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing and collection.



CITY OF WESTLAKE, LOUISIANA  
ENTERPRISE FUNDS

COMBINING BALANCE SHEET  
June 30, 2000  
With Comparative Totals for June 30, 1999

<u>ASSETS</u>	<u>Gas Fund</u>	<u>Water and Sewer Fund</u>
Current assets:		
Cash	\$ 288,671	\$ 96,496
Investments	142,090	502,433
Accounts receivable, net of allowances of \$82,215	147,937	103,591
Prepaid insurance	11,099	22,829
Due from other funds	1,861	556,088
Inventory, at cost	<u>15,528</u>	<u>8,133</u>
Total current assets	<u>607,186</u>	<u>1,289,570</u>
Restricted assets, cash and investments:		
Customers' deposits	<u>100,966</u>	<u>24,879</u>
Property, plant and equipment:		
Land	-	54,429
Production and distribution system	2,151,167	12,522,345
Buildings	42,673	-
Machinery, equipment and vehicles	<u>340,243</u>	<u>261,484</u>
	2,534,083	12,838,258
Less accumulated depreciation	<u>1,467,054</u>	<u>5,621,147</u>
Net property, plant and equipment	<u>1,067,029</u>	<u>7,217,111</u>
Total assets	<u>\$ 1,775,181</u>	<u>\$ 8,531,560</u>

Data Processing Fund	Totals	
	2000	1999
\$ 2,822	\$ 387,989	\$ 241,384
7,647	652,170	1,096,760
13,366	264,894	221,114
9,259	43,187	57,139
117,897	675,846	718,394
-	23,661	13,257
<u>150,991</u>	<u>2,047,747</u>	<u>2,348,048</u>
-	125,845	138,955
-	54,429	54,429
-	14,673,512	14,105,962
50,711	93,384	93,384
<u>476,368</u>	<u>1,078,095</u>	<u>965,712</u>
527,079	15,899,420	15,219,487
<u>399,408</u>	<u>7,487,609</u>	<u>7,045,957</u>
<u>127,671</u>	<u>8,411,811</u>	<u>8,173,530</u>
<u>\$ 278,662</u>	<u>\$ 10,585,403</u>	<u>\$ 10,660,533</u>

(continued on next page)

CITY OF WESTLAKE, LOUISIANA  
ENTERPRISE FUNDS

COMBINING BALANCE SHEET  
June 30, 2000  
With Comparative Totals for June 30, 1999  
(Continued)

<u>LIABILITIES AND FUND EQUITY</u>	<u>Gas Fund</u>	<u>Water and Sewer Fund</u>
Current liabilities (payable from current assets):		
Bank overdraft	\$ -	\$ -
Accounts payable	55,922	26,862
Due to other funds	793,196	242,255
Deferred revenue	<u>6,081</u>	<u>-</u>
Total current liabilities (payable from current assets)	855,199	269,117
Current liabilities (payable from restricted assets):		
Customer deposits	<u>109,215</u>	<u>17,668</u>
Total liabilities	<u>964,414</u>	<u>286,785</u>
Fund equity:		
Contributed capital	84,210	6,518,577
Retained earnings:		
Unreserved	<u>726,557</u>	<u>1,726,198</u>
Total fund equity	<u>810,767</u>	<u>8,244,775</u>
Total liabilities and fund equity	<u>\$ 1,775,181</u>	<u>\$ 8,531,560</u>

See accompanying notes to financial statements

Data Processing Fund	Totals	
	2000	1999
\$ -	\$ -	\$ 13,765
1,983	84,767	21,707
39,858	1,075,309	1,563,652
-	6,081	-
41,841	1,166,157	1,599,124
-	126,883	124,158
41,841	1,293,040	1,723,282
118,131	6,720,918	6,813,176
118,690	2,571,445	2,124,075
236,821	9,292,363	8,937,251
<u>\$ 278,662</u>	<u>\$ 10,585,403</u>	<u>\$ 10,660,533</u>

CITY OF WESTLAKE, LOUISIANA  
ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
Year Ended June 30, 2000  
With Comparative Totals for Year Ended June 30, 1999

	<u>Gas Fund</u>	<u>Water and Sewer Fund</u>
Operating revenues:		
Charges for services	\$ 1,388,993	\$ 812,784
Operating expenses:		
Personal services	371,215	203,092
Contractual services	68,842	7,788
Supplies and other expenses	208,607	382,445
Heat, light and power	8,976	61,683
Natural gas for resale	576,040	-
Depreciation and amortization	95,618	289,643
Total operating expenses	<u>1,329,298</u>	<u>944,651</u>
Operating income (loss)	<u>59,695</u>	<u>(131,867)</u>
Nonoperating revenues (expenses):		
Tap fees	3,950	9,817
Investment income	18,277	33,986
Miscellaneous	3,205	-
Interest and fiscal charges	(19)	-
Total nonoperating revenues (expenses)	<u>25,413</u>	<u>43,803</u>
Income (loss) before operating transfers	85,108	(88,064)
Operating transfers in (out)	<u>39,758</u>	<u>339,582</u>
Net income (loss)	124,866	251,518
Retained earnings at beginning of year	578,086	1,406,027
Add (subtract):		
Depreciation on fixed assets acquired with federal and state grants	<u>23,605</u>	<u>68,653</u>
Retained earnings at end of year	<u>\$ 726,557</u>	<u>\$ 1,726,198</u>

See accompanying notes to financial statements

Data Processing Fund	Totals	
	2000	1999
<u>\$ 121,741</u>	<u>\$ 2,323,518</u>	<u>\$ 2,268,605</u>
85,103	659,410	550,608
-	76,630	71,963
46,975	638,027	665,712
7,881	78,540	73,116
-	576,040	495,131
<u>56,390</u>	<u>441,651</u>	<u>436,932</u>
<u>196,349</u>	<u>2,470,298</u>	<u>2,293,462</u>
<u>(74,608)</u>	<u>(146,780)</u>	<u>(24,857)</u>
-	13,767	8,974
40,029	92,292	88,201
-	3,205	2,742
-	(19)	(1,025)
<u>40,029</u>	<u>109,245</u>	<u>98,892</u>
(34,579)	(37,535)	74,035
<u>13,307</u>	<u>392,647</u>	<u>(81,274)</u>
(21,272)	355,112	(7,239)
139,962	2,124,075	2,039,056
<u>-</u>	<u>92,258</u>	<u>92,258</u>
<u>\$ 118,690</u>	<u>\$ 2,571,445</u>	<u>\$ 2,124,075</u>



CITY OF WESTLAKE, LOUISIANA  
ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS  
Year Ended June 30, 2000

	Gas Fund	Water and Sewer Fund	Data Processing Fund	Totals	
				2000	1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 1,385,880	\$ 785,486	\$ 108,373	\$ 2,279,739	\$ 2,279,645
Cash payments to suppliers for goods and services	(785,015)	(451,943)	(70,629)	(1,307,587)	(1,433,217)
Cash payments to employees for services	(371,215)	(203,093)	(85,103)	(659,411)	(550,608)
Net cash provided by (used in) operating activities	229,650	130,450	(47,359)	312,741	295,820
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Net operating transfers in (out)	39,758	339,582	13,307	392,647	(81,274)
Tap fees received	3,950	9,817	-	13,767	8,974
Other nonoperating income	3,186	-	-	3,186	2,742
Net cash provided by (used in) noncapital financing activities	46,894	349,399	13,307	409,600	(69,558)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal received from other funds, contributed capital	-	-	-	-	672,463
Principal payments to other funds	(3,358)	(314,563)	(127,874)	(445,795)	(17,745)
Principal paid on revenue bond maturities and equipment contracts	-	-	-	-	(53,000)
Acquisition and construction of fixed assets	(91,751)	(550,667)	(37,516)	(679,934)	(738,540)
Proceeds from sale of assets	-	-	-	-	930
Interest paid on revenue bonds and equipment contracts	-	-	-	-	(1,025)
Net cash provided by (used in) capital and related financing activities	(95,109)	(865,230)	(165,390)	(1,125,729)	(136,917)
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>					
Investment income	18,277	33,987	40,029	92,293	88,201

(continued on next page)

CITY OF WESTLAKE, LOUISIANA  
ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS  
Year Ended June 30, 2000  
(Continued)

	Gas Fund	Water and Sewer Fund	Data Processing Fund	Totals	
				2000	1999
Net increase (decrease) in cash and cash equivalents	199,712	(351,394)	(159,413)	(311,095)	177,546
Cash and cash equivalents:					
Beginning of year	<u>332,015</u>	<u>975,202</u>	<u>169,882</u>	<u>1,477,099</u>	<u>1,299,553</u>
End of year	<u>\$ 531,727</u>	<u>\$ 623,808</u>	<u>\$ 10,469</u>	<u>\$ 1,166,004</u>	<u>\$ 1,477,099</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED OPERATING ACTIVITIES					
Operating income (loss)	\$ 59,695	\$ (131,867)	\$ (74,608)	\$ (146,780)	\$ (24,857)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	95,618	289,644	56,390	441,652	436,932
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(3,113)	(27,301)	(13,366)	(43,780)	11,540
(Increase) decrease in inventory	(4,941)	(5,462)	-	(10,403)	75
(Increase) decrease in prepaid insurance	22,774	(5,461)	(3,361)	13,952	(9,620)
Increase (decrease) in bank overdraft	-	-	(13,765)	(13,765)	13,765
Increase (decrease) in accounts payable	53,536	10,897	1,351	65,784	(132,015)
Increase in deferred revenue	<u>6,081</u>	<u>-</u>	<u>-</u>	<u>6,081</u>	<u>-</u>
Net cash provided by (used in operating activities	<u>\$ 229,650</u>	<u>\$ 130,450</u>	<u>\$ (47,359)</u>	<u>\$ 312,741</u>	<u>\$ 295,820</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
ENTERPRISE FUNDS

COMBINING STATEMENT OF CHANGES IN CONTRIBUTED CAPITAL  
Years Ended June 30, 2000 and 1999

	<u>Gas Fund</u>	<u>Water and Sewer Fund</u>	<u>Data Processing Fund</u>	<u>2000</u>	<u>1999</u>
Contributed capital, beginning of year	\$ 107,815	\$ 6,587,230	\$ 118,131	\$ 6,813,176	\$ 6,905,434
Depreciation on fixed assets acquired with federal and state grants	<u>23,605</u>	<u>68,653</u>	<u>-</u>	<u>92,258</u>	<u>92,258</u>
Contributed capital, end of year	<u>\$ 84,210</u>	<u>\$ 6,518,577</u>	<u>\$ 118,131</u>	<u>\$ 6,720,918</u>	<u>\$ 6,813,176</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
GAS UTILITY FUND

COMPARATIVE BALANCE SHEET  
June 30, 2000 and 1999

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Current assets:		
Cash	\$ 288,671	\$ 142,219
Investments	142,090	78,407
Accounts receivable, net of allowances of \$51,975	147,937	144,824
Prepaid insurance	11,099	33,873
Due from other funds	1,861	126,646
Inventory, at cost	15,528	10,587
Total current assets	<u>607,186</u>	<u>536,556</u>
Restricted assets, cash, and investments:		
Customer deposits	<u>100,966</u>	<u>111,389</u>
Property, plant and equipment:		
Production and distribution system	2,151,167	2,134,281
Buildings	42,673	42,673
Machinery	340,243	265,378
	<u>2,534,083</u>	<u>2,442,332</u>
Less accumulated depreciation	1,467,054	1,371,437
Net property, plant and equipment	<u>1,067,029</u>	<u>1,070,895</u>
Total assets	<u>\$ 1,775,181</u>	<u>\$ 1,718,840</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Current liabilities (payable from current assets):		
Accounts payable	\$ 55,922	\$ 4,100
Due to other funds	793,196	921,339
Deferred revenue	6,081	-
Total current liabilities (payable from current assets)	855,199	925,439
Current liabilities (payable from restricted assets):		
Customer deposits	<u>109,215</u>	<u>107,500</u>
Total liabilities	<u>964,414</u>	<u>1,032,939</u>
Fund equity:		
Contributed capital-municipality	84,210	107,815
Retained earnings:		
Unreserved	726,557	578,086
Total fund equity	<u>810,767</u>	<u>685,901</u>
Total liabilities and fund equity	<u>\$ 1,775,181</u>	<u>\$ 1,718,840</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
GAS UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS

Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Operating revenues:		
Charges for services	<u>\$ 1,388,993</u>	<u>\$ 1,398,280</u>
Operating expenses:		
Personal services	371,215	305,796
Contractual services	68,842	66,963
Supplies and other expenses	208,607	273,434
Heat, light and power	8,976	7,885
Natural gas for resale	576,040	495,131
Depreciation and amortization	<u>95,618</u>	<u>99,272</u>
Total operating expenses	<u>1,329,298</u>	<u>1,248,481</u>
Operating income	<u>59,695</u>	<u>149,799</u>
Nonoperating revenues (expenses):		
Tap fees	3,950	3,789
Investment income	18,277	12,976
Miscellaneous revenues	3,205	2,722
Interest and fiscal charges	<u>(19)</u>	<u>(1,025)</u>
Total nonoperating revenues (expenses)	<u>25,413</u>	<u>18,462</u>
Income before operating transfers	85,108	168,261
Operating transfers in (out)	<u>39,758</u>	<u>(284,700)</u>
Net income (loss)	124,866	(116,439)
Retained earnings at beginning of year	578,086	670,920
Depreciation on fixed assets acquired with federal and state grants	<u>23,605</u>	<u>23,605</u>
Retained earnings at end of year	<u>\$ 726,557</u>	<u>\$ 578,086</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
GAS UTILITY FUND

COMPARATIVE STATEMENT OF CASH FLOWS  
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 1,385,880	\$ 1,392,869
Cash payments to suppliers for goods and services	(785,015)	(891,686)
Cash payments to employees for services	(371,215)	(305,796)
Net cash provided by operating activities	<u>229,650</u>	<u>195,387</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Other nonoperating income	7,136	6,511
Operating transfer in (out) to other funds	<u>39,758</u>	<u>(284,700)</u>
Net cash provided by (used in) noncapital financing activities	<u>46,894</u>	<u>(278,189)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Loan to (from) other funds	(3,358)	252,832
Principal paid on revenue bond maturities and equipment contracts	-	(53,000)
Interest paid on revenue bonds	-	(1,025)
Acquisition and construction of fixed assets	<u>(91,751)</u>	<u>(68,629)</u>
Net cash provided by (used in) capital and related financing activities	<u>(95,109)</u>	<u>130,178</u>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Investment income	<u>18,277</u>	<u>12,976</u>
Net increase in cash and cash equivalents	199,712	60,352
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>332,015</u>	<u>271,663</u>
End of year	<u>\$ 531,727</u>	<u>\$ 332,015</u>

(continued on next page)



CITY OF WESTLAKE, LOUISIANA  
GAS UTILITY FUND

COMPARATIVE STATEMENT OF CASH FLOWS  
Years Ended June 30, 2000 and 1999  
(Continued)

	<u>2000</u>	<u>1999</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 59,695	\$ 149,799
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	95,618	99,272
Changes in assets and liabilities:		
(Increase) in accounts receivable	(3,113)	(5,161)
(Increase) decrease in inventory	(4,941)	148
(Increase) decrease in prepaid insurance	22,774	(14,184)
Increase (decrease) in accounts payable	53,536	(34,487)
Increase in deferred revenue	<u>6,081</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 229,650</u>	<u>\$ 195,387</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
GAS UTILITY FUND

COMPARATIVE STATEMENT OF OPERATING EXPENSES BY DEPARTMENT  
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
General and administrative:		
Personal services	\$ 185,965	\$ 164,382
Contractual services	68,842	66,963
Supplies and other expenses	56,607	55,116
Heat, light and power	8,977	7,885
Depreciation and amortization	<u>-</u>	<u>538</u>
Total general and administrative	<u>320,391</u>	<u>294,884</u>
Production:		
Personal services	185,249	141,414
Supplies and other expenses	152,000	218,318
Natural gas for resale	576,040	495,131
Depreciation	<u>95,618</u>	<u>98,734</u>
Total production	<u>1,008,907</u>	<u>953,597</u>
Total operating expenses	<u>\$ 1,329,298</u>	<u>\$ 1,248,481</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
WATER AND SEWER FUND

COMPARATIVE BALANCE SHEET  
June 30, 2000 and 1999

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Current assets:		
Cash	\$ 96,496	\$ 99,165
Investments	502,433	848,471
Accounts receivable, net of allowances of \$30,240	103,591	76,290
Prepaid insurance	22,829	17,368
Due from other funds	556,088	539,739
Inventory, at cost	8,133	2,670
Total current assets	<u>1,289,570</u>	<u>1,583,703</u>
Restricted assets, cash, and investments:		
Customer deposits	<u>24,879</u>	<u>27,566</u>
Property, plant and equipment:		
Land	54,429	54,429
Production and distribution system	12,522,345	11,971,681
Machinery, equipment and vehicles	<u>261,484</u>	<u>261,484</u>
	12,838,258	12,287,594
Less accumulated depreciation	<u>5,621,147</u>	<u>5,331,503</u>
Net property, plant and equipment	<u>7,217,111</u>	<u>6,956,091</u>
Total assets	<u>\$ 8,531,560</u>	<u>\$ 8,567,360</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Current liabilities (payable from current assets):		
Accounts payable	\$ 26,862	\$ 16,975
Due to other funds	<u>242,255</u>	<u>540,470</u>
Total current liabilities (payable from current assets)	269,117	557,445
Current liabilities (payable from restricted assets):		
Customer deposits	<u>17,668</u>	<u>16,658</u>
Total liabilities	286,785	574,103
Fund equity:		
Contributed capital-municipality	6,518,577	6,587,230
Retained earnings:		
Unreserved	<u>1,726,198</u>	<u>1,406,027</u>
Total liabilities and fund equity	<u>\$ 8,531,560</u>	<u>\$ 8,567,360</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Operating revenues:		
Charges for services	\$ <u>812,784</u>	\$ <u>763,300</u>
Operating expenses:		
Personal services	203,092	168,045
Contractual services	7,788	5,000
Supplies and other expenses	382,445	361,385
Heat, light and power	61,683	58,203
Depreciation	<u>289,643</u>	<u>289,443</u>
Total operating expenses	<u>944,651</u>	<u>882,076</u>
Operating (loss)	<u>(131,867)</u>	<u>(118,776)</u>
Nonoperating revenues (expenses):		
Tap fees	9,817	5,185
Investment income	<u>33,986</u>	<u>39,930</u>
Total nonoperating revenues (expenses)	<u>43,803</u>	<u>45,115</u>
(Loss) before operating transfers	(88,064)	(73,661)
Operating transfers in	<u>339,582</u>	<u>203,426</u>
Net income	251,518	129,765
Retained earnings at beginning of year	1,406,027	1,207,609
Depreciation on fixed assets acquired with federal and state grants	<u>68,653</u>	<u>68,653</u>
Retained earnings at end of year	<u>\$ 1,726,198</u>	<u>\$ 1,406,027</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS  
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 785,486	\$ 779,751
Cash payments to suppliers for goods and services	(451,943)	(523,146)
Cash payments to employees for services	<u>(203,093)</u>	<u>(168,045)</u>
Net cash provided by operating activities	<u>130,450</u>	<u>88,560</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating transfers in	339,582	203,426
Tap fees received	<u>9,817</u>	<u>5,185</u>
Net cash provided by noncapital financing activities	<u>349,399</u>	<u>208,611</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(550,667)	(638,455)
Principal received from other funds, contributed capital	<u>(314,563)</u>	<u>419,631</u>
Net cash (used in) capital and related financing activities	<u>(865,230)</u>	<u>(218,824)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	<u>33,987</u>	<u>39,930</u>
Net increase (decrease) in cash and cash equivalents	(351,394)	118,277
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>975,202</u>	<u>856,925</u>
End of year	<u>\$ 623,808</u>	<u>\$ 975,202</u>

(continued on next page)

CITY OF WESTLAKE, LOUISIANA  
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS  
Years Ended June 30, 2000 and 1999  
(Continued)

	<u>2000</u>	<u>1999</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH (USED IN) OPERATING ACTIVITIES		
Operating (loss)	\$ (131,867)	\$ (118,776)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	289,644	289,443
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(27,301)	16,701
(Increase) in inventory	(5,462)	(73)
(Increase) in prepaid insurance	(5,461)	(2,573)
Increase (decrease) in accounts payable	<u>10,897</u>	<u>(96,162)</u>
Net cash provided by operating activities	<u>\$ 130,450</u>	<u>\$ 88,560</u>

See accompanying notes to financial statements



CITY OF WESTLAKE, LOUISIANA  
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF OPERATING EXPENSES BY DEPARTMENT  
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
General and administrative:		
Personal services	\$ 10,769	\$ 9,898
Contractual services	7,788	5,000
Supplies and other expenses	<u>24,778</u>	<u>10,982</u>
Total general and administrative	<u>43,335</u>	<u>25,880</u>
Production:		
Personal services	192,323	158,147
Supplies and other expenses	360,427	350,563
Heat, light and power	58,923	58,043
Depreciation	<u>289,643</u>	<u>289,443</u>
Total production	<u>901,316</u>	<u>856,196</u>
Total operating expenses	<u>\$ 944,651</u>	<u>\$ 882,076</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
DATA PROCESSING FUND

COMPARATIVE BALANCE SHEET  
June 30, 2000 and 1999

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Current assets:		
Cash	\$ 2,822	\$ -
Investments	7,647	169,882
Accounts receivable	13,366	-
Prepaid expenses	9,259	5,898
Due from other funds	<u>117,897</u>	<u>52,009</u>
Total current assets	<u>150,991</u>	<u>227,789</u>
Property, plant and equipment:		
Computer programs and equipment	418,410	394,200
Vehicles	36,884	23,577
Office equipment	21,074	21,073
Building	<u>50,711</u>	<u>50,711</u>
	527,079	489,561
Less accumulated depreciation	<u>399,408</u>	<u>343,017</u>
Net property, plant and equipment	<u>127,671</u>	<u>146,544</u>
Total assets	<u>\$ 278,662</u>	<u>\$ 374,333</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Current liabilities (payable from current assets):		
Bank overdraft	\$ -	\$ 13,765
Accounts payable	1,983	632
Due to other funds	<u>39,858</u>	<u>101,843</u>
Total current liabilities (payable from current assets)	<u>41,841</u>	<u>116,240</u>
Fund equity:		
Contributed capital - municipality	118,131	118,131
Retained earnings - unreserved	<u>118,690</u>	<u>139,962</u>
Total fund equity	<u>236,821</u>	<u>258,093</u>
Total liabilities and fund equity	<u>\$ 278,662</u>	<u>\$ 374,333</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Operating revenues:		
Charges for services	\$ <u>121,741</u>	\$ <u>107,025</u>
Operating expenses:		
Personal services	85,103	76,767
Supplies and other expenses	46,975	30,893
Heat, light and power	7,881	7,028
Depreciation and amortization	<u>56,390</u>	<u>48,217</u>
Total operating expenses	<u>196,349</u>	<u>162,905</u>
Operating (loss)	<u>(74,608)</u>	<u>(55,880)</u>
Nonoperating revenues (expenses):		
Investment income	40,029	35,295
Gain on sale of equipment	<u>-</u>	<u>20</u>
Total nonoperating revenues (expenses)	<u>40,029</u>	<u>35,315</u>
(Loss) before operating transfers	(34,579)	(20,565)
Operating transfers in	<u>13,307</u>	<u>-</u>
Net (loss)	(21,272)	(20,565)
Retained earnings at beginning of year	<u>139,962</u>	<u>160,527</u>
Retained earnings at end of year	<u>\$ 118,690</u>	<u>\$ 139,962</u>

See accompanying notes to financial statements

CITY OF WESTLAKE, LOUISIANA  
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF CASH FLOWS  
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 108,373	\$ 107,025
Cash payments to suppliers for goods and services	(70,629)	(18,385)
Cash payments to employees for services	<u>(85,103)</u>	<u>(76,767)</u>
Net cash provided by (used in) operating activities	<u>(47,359)</u>	<u>11,873</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating transfers in	13,307	-
Miscellaneous nonoperating income	<u>-</u>	<u>20</u>
Net cash provided by noncapital financing activities	<u>13,307</u>	<u>20</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal received from (paid to) other funds	(127,874)	(17,745)
Fixed asset acquisitions	(37,516)	(31,456)
Proceeds from sale of assets	<u>-</u>	<u>930</u>
Net cash (used in) capital and related financing activities	<u>(165,390)</u>	<u>(48,271)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	<u>40,029</u>	<u>35,295</u>
Net (decrease) in cash and cash equivalents	(159,413)	(1,083)
Cash and cash equivalents:		
Beginning of year	<u>169,882</u>	<u>170,965</u>
End of year	<u>\$ 10,469</u>	<u>\$ 169,882</u>

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CITY OF WESTLAKE, LOUISIANA  
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF CASH FLOWS  
Years Ended June 30, 2000 and 1999  
(Continued)

	<u>2000</u>	<u>1999</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating (loss)	\$ (74,608)	\$ (55,880)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	56,390	48,217
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, prepaid, inventory	(16,727)	7,137
Increase (decrease) in bank overdraft	(13,765)	13,765
Increase (decrease) in accounts payable	<u>1,351</u>	<u>(1,366)</u>
Net cash provided by (used in) operating activities	<u>\$ (47,359)</u>	<u>\$ 11,873</u>

See accompanying notes to financial statements

**GENERAL FIXED ASSETS  
ACCOUNT GROUP**

To account for fixed assets not used in  
proprietary fund operations.

## CITY OF WESTLAKE, LOUISIANA

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS  
BY SOURCES  
June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
General fixed assets, at cost:		
Land, land improvements	\$ 3,578,553	\$ 3,578,553
Building	5,711,078	5,144,192
Equipment	2,019,284	1,711,923
Construction in progress	<u>249,375</u>	<u>223,389</u>
Total general fixed assets	<u>\$ 11,558,290</u>	<u>\$ 10,658,057</u>
Investment in general fixed assets:		
General Fund revenues	\$ 10,435,351	\$ 9,535,118
Special Revenue Fund revenues	767,148	767,148
Special Assessments	89,826	89,826
Grant proceeds	1,538	1,538
Public donation	<u>264,427</u>	<u>264,427</u>
Total investment in general fixed assets	<u>\$ 11,558,290</u>	<u>\$ 10,658,057</u>

See accompanying notes to financial statements



## CITY OF WESTLAKE, LOUISIANA

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
Year Ended June 30, 2000

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Construction In Progress</u>
General fixed assets, beginning of year	\$ 10,658,057	\$ 3,578,553	\$ 5,144,192	\$ 1,711,923	\$ 223,389
Additions:					
General fund revenue	900,233	-	566,886	307,361	25,986
Deletions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General fixed assets, end of year	<u>\$ 11,558,290</u>	<u>\$ 3,578,553</u>	<u>\$ 5,711,078</u>	<u>\$ 2,019,284</u>	<u>\$ 249,375</u>

See accompanying notes to financial statements

**GENERAL LONG-TERM DEBT  
ACCOUNT GROUP**

To account for long-term debt not used in  
proprietary fund operations.

## CITY OF WESTLAKE, LOUISIANA

COMPARATIVE STATEMENT OF GENERAL LONG-TERM DEBT  
BY SOURCES  
June 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT		
Amount available in debt service fund for debt retirement	\$ -	\$ 206,996
Amount to be provided for retirement of long-term debt - river boat development fees	<u>3,800,000</u>	<u>3,713,004</u>
	<u>\$ 3,800,000</u>	<u>\$ 3,920,000</u>
GENERAL LONG-TERM DEBT PAYABLE		
General obligation bonds - certificates of indebtedness	<u>\$ 3,800,000</u>	<u>\$ 3,920,000</u>

See accompanying notes to financial statements

**SUPPORTING SCHEDULE**

## CITY OF WESTLAKE, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO MAYOR AND CITY COUNCIL MEMBERS  
Years Ended June 30, 2000 and 1999

<u>Name and Title</u>	<u>Compensation</u>	
	<u>2000</u>	<u>1999</u>
Dudley R. Dixon, Mayor	\$ 49,275	\$ 40,959
Mrs. Alma G. Meche, Councilwoman	-	2,109
Mr. Gerald Washington, Councilman, Mayor Pro-Tem	6,335	6,037
Mr. Carl Chisholm, Councilman	-	2,109
Mr. Charles Harold McMillin, Councilman	2,390	4,359
Mr. John Cradure, Councilman	4,640	4,218
Mr. Daniel Cupit, Councilman	4,640	2,250
Mr. Walter Hayes, Councilman	4,640	2,250
Mr. Wally Anderson, Councilman	703	-
Mrs. Nelda McManus, Councilwoman	1,406	-

## CITY OF WESTLAKE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2000

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Expenditures</u>
Louisiana Division of Administration Louisiana Community Development Block Grant	14.228	-	\$ 285,586
Police Equipment Grant	16.592	-	28,495
SHARE Grants	14.239	-	<u>30,800</u>
Total expenditures for federal awards			<u>\$ 344,881</u>

**COMPLIANCE, INTERNAL CONTROL REPORTS**



# McELROY, QUIRK & BURCH

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Dudley R. Dixon, Mayor  
and City Council Members  
Westlake, Louisiana

We have audited the financial statements of the City of Westlake, Louisiana as of and for the year ended June 30, 2000, and have issued our report thereon dated October 26, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the City of Westlake's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the Schedule of Findings and Questioned Costs in 00-1 and 00-2.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Westlake's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However,

we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Westlake's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the Schedule of Findings and Questioned Costs in 00-3 and 00-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we considered item 00-3 to be a material weakness.

We also noted other matters involving internal control and its operation that we have reported to the City in our report of management comments and suggestions.

This report is intended for the information of the City, management, and the Louisiana Legislative Auditor, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Lake Charles, Louisiana  
October 26, 2000

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Dudley R. Dixon, Mayor  
and City Council Members  
Westlake, Louisiana

### Compliance

We have audited the compliance of the City of Westlake with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The City of Westlake's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of finding and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Westlake's management. Our responsibility is to express an opinion on the City of Westlake's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Westlake's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Westlake's compliance with those requirements.



In our opinion, the City of Westlake complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

#### Internal Control Over Compliance

The management of the City of Westlake is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Westlake's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

We also noted other matters involving internal control and its operations that we have reported to the City in our Management Comments and Suggestions letter dated October 26, 2000.

This report is intended solely for the information and use of the City, management, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Lake Charles, Louisiana  
October 26, 2000

CITY OF WESTLAKE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2000

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Reportable condition identified not considered to be material weakness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Federal Awards

Internal control over major programs:	
Material weakness identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Reportable condition identified not considered to be material weakness?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.219	Department of Housing and Urban Development: Community Development Block Grant Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>300,000</u>
Auditee qualified as low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

(continued on next page)

CITY OF WESTLAKE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2000  
(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

00-1 Fixed Asset Accountability

Condition: Over the years the City has acquired a substantial amount of fixed assets. The City began last year to develop the listing, however, the specific detailed listing of individual assets was not complete as of the end of the year as required by Louisiana law.

Criteria: A complete inventory of all City owned property, buildings, equipment and vehicles should be maintained by the City.

Effect: The City is not in compliance with Louisiana law.

Recommendation: A complete inventory should be taken of all City owned property, buildings, equipment and vehicles to specifically identify all fixed assets of the City. This procedure would require an inventory process, as well as tagging and identifying fixed assets by type and location. Management would need to adopt a capitalization policy to determine what dollar level of assets are to be accounted for. Once the inventory process is complete, it is recommended that a procedure be implemented to tag and identify new fixed assets as they are acquired to insure that the inventory process will not have to be repeated.

Response: The City agrees with this recommendation. Subsequent to the June 30, 2000 year end, the City acquired a new accountant and assistant accountant. The City will continue to take the necessary steps to complete a fixed asset listing for each department of the City. The City intends to incorporate the GASB 34 infrastructure identification listing with the fixed asset listing. Due to the size of the project, the desire to design a comprehensive system which will accomodate GASB 34 and a detailed fixed asset listing and the change in accounting personnel, the process may not be completed by year end. Currently, considerations are being given to the format of compiling and storing the data so that the necessary reports can be generated as well as providing maximum flexibility in analyzing fixed asset details. We will continue to provide a progress report on this project.

CITY OF WESTLAKE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2000  
(Continued)

**00-2 Expenditures Exceeding Appropriations**

Condition: The expenditures exceeded budgeted expenditures in the general fund by more than 5%. This was caused by inaccurate budgeting and accounting of the purchase of a fire truck. Had the capital outlay been accounted for properly the item would have been budgeted and the City would not have been found to be out of compliance.

Criteria: Expenditures must be within 5% of budgeted expenditures.

Effect: The City is not in compliance with Louisiana law.

Recommendation: The City should make a necessary budgetary amendments in order to keep expenditures within the limits set by Louisiana law.

Response: Management has begun a process to review the budget and financial statements throughout the year to ensure that the City is in compliance with all applicable State laws. The new accountant has begun providing detailed general ledger reports to each department head on a quarterly basis. Budget meetings are now being held at least quarterly to review year to date activity and plan for the rest of the year.

**00-3 Segregation of Duties**

Condition: Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.

Criteria: Effective internal control requires adequate segregation of duties among client personnel.

Effect: Without proper segregation of duties, errors within the financial records or fraud could go undetected.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.



CITY OF WESTLAKE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2000  
(Continued)

Response: Management agrees with the findings. Due to the size of the entity, segregation of duties is more difficult to obtain. With the change in accounting personnel, some duties have been shifted and new review procedures are being tried. Management will increase review procedures and continue to experiment with shifting of duties and supervision procedures to mitigate the limitations placed on the City by cost constraints and limited number of personnel.

00-4 Overdue Utility Receivables

Condition: A significant portion of the utility receivables are not current.

Criteria: Accounts receivable should be kept current.

Effect: The City is at a risk of loss with accounts receivable that are not current.

Recommendation: A formal policy for delinquent accounts receivable should be adopted and enforced. The policy should address collection, cutoff procedures, and opening and closing accounts. It is further recommended that a review of all accounts be made on a monthly basis and that proper actions be taken on delinquent accounts. Any accounts that are currently considered uncollectible should be written off.

Response: City management has taken steps to develop a comprehensive policy and procedure manual for the entire City. An outside firm was hired and has completed interviews and meetings with City personnel. The policy and procedure manual is being prepared by this firm and is expected to be completed within the next several months. After the manual is presented to the City, it will be continually modified by contributions of personnel in each department of the City. It is management's intent that the manual be perpetually updated and be used as a training manual as well as day to day policy and procedure reference.

CITY OF WESTLAKE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2000

(Continued)

Additionally, the City has contracted with a collection agency to assist in collecting delinquent accounts. The policy and procedure manual mentioned above will provide specific guidance in reference to receivables of the City and their treatment in the future. A proactive position will be implemented to attempt to reduce the number of accounts receivable becoming delinquent and subsequently uncollectible.

CITY OF WESTLAKE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2000  
(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

CITY OF WESTLAKE, LOUISIANA

SCHEDULE OF PRIOR YEAR MANAGEMENT COMMENTS AND SUGGESTIONS

June 30, 2000

**99-1 Fixed Asset Accountability**

Condition: Over the years the City has acquired a substantial amount of fixed assets, however, there is no specific detailed listing of individual assets as required by Louisiana law.

Recommendation: A complete inventory of all City owned property, buildings, equipment and vehicles should be maintained by the City. A complete inventory should be taken of all City owned property, buildings, equipment and vehicles to specifically identify all fixed assets of the City. This procedure would require an inventory process, as well as tagging and identifying fixed assets by type and location. Management would need to adopt a capitalization policy to determine what dollar level of assets are to be accounted for. Once the inventory process is complete, it is recommended that a procedure be implemented to tag and identify new fixed assets as they are acquired to insure that the inventory process will not have to be repeated.

Current status: See current year compliance condition 00-1.

**99-2 Illegal Investments**

Condition: It was noted during our review of investments that the City was invested in the Corporate Bond Fund and Government B Fund through New York Life. These investments are not invested totally in direct US Treasury obligations or various other investments issued or guaranteed by federal agencies which are backed by the full faith and credit of the United States of America.

Recommendation: Management should review these investments to insure that they are in compliance with state law.

Current status: The City was reimbursed for all investments listed above which were out of compliance with state law. The City is currently not invested in any such securities.

CITY OF WESTLAKE, LOUISIANA

SCHEDULE OF PRIOR YEAR MANAGEMENT COMMENTS AND SUGGESTIONS

June 30, 2000

(Continued)

**99-3 Segregation of Duties**

Condition: Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Current status: See current year reportable condition 00-3.

**99-4 Overdue Utility Receivables**

Condition: It was noted during our review of accounts receivable for the utility funds that a significant portion of the utility receivables were not current.

Recommendation: Accounts receivable should be kept current in order to limit the risk of loss to the City. A formal policy for delinquent accounts receivable should be adopted and enforced. The policy should address collection, cutoff procedures, and opening and closing accounts. It is further recommended that a review of all accounts be made on a monthly basis and that proper actions be taken on delinquent accounts. Any accounts that are currently considered uncollectible should be written off.

Current status: See current year reportable condition 00-4.

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Honorable Dudley R. Dixon, Mayor  
and City Council Members  
City of Westlake  
Westlake, Louisiana

In planning and performing our audit of the financial statements of the City of Westlake, Louisiana, and the combining, individual fund and account group financial statements of the City as of June 30, 2000, and for the year then ended, we considered the City's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control structure.

In that connection, we present the following comments and suggestions for your consideration. This letter does not affect our report dated October 26, 2000, on the financial statements of the City of Westlake, Louisiana.

**Interfund Payables and Receivables** - During our review of the various interfund payables and receivables, it was noted that several funds had large receivables and payables. It is recommended that the interfund payables and receivables be liquidated in a timely manner.

**Management response** - Management agrees with the comment and proposes a monthly review and repayment of interfund payables and receivables in all instances where feasible. Subsequent to year end, the City changed accountants. As part of the familiarization period with the City, the new accountant is exploring different methods of performing certain procedures. Interfund activities are being examined and a reconciliation and clearing of these transactions is planned on a monthly basis.

**Evaluation of Fees** - It was noted that some fees being charged by the City are not sufficient to cover the City's administrative and other costs. We recommend that the City evaluate the fees that are charged for all permits, licenses, grass cutting, etc. so these fees at least cover its costs for such services.



**Management Response** - During the process of obtaining information for the policy and procedure manual, various fees charged by the City were discussed along with numerous options. The fees being charged by the City are in the process of being revised to cover the current costs imposed upon the City in performance of these activities. The necessary steps will be taken to make these and future fee changes part of the City policy. Additionally, procedures will be implemented to monitor and adjust fees as their costs to the City increase.

**Accounts Receivable** - It was noted that some departments within the City do not submit copies of invoices requesting payment to the City Accountant, but instead wait until the funds are collected to report the revenue. It is recommended that all departments send copies of invoices directly to the accounting department so the amounts can correctly be set up as receivables. This procedure will improve the controls of the City and improve the accuracy of accounting records.

**Management Response** - Management concurs with this recommendation. The new accountant will meet with all department heads to obtain specific information regarding the billing of receivable items for the City. Based upon the information received, some general procedures will be established for all departments to follow to ensure control over receivables due the City. Steps will be taken to determine the best methods to be used to assure complete and accurate accounting over amounts due the City. Consideration will be given to review and supervision procedures as well as segregation of duties involving the procedures within these departments. The accounting department will be involved with these receivable items before the collection stage.

**Drug Forfeiture Accounting** - It was noted that drug forfeiture revenue is accounted for in the general fund. Even though the revenues were properly accounted for, it is recommended that a separate special revenue fund be established so the revenues and expenditures associated with drug forfeitures are more readily identifiable on an annual basis.

**Management Response** - The City agrees with the suggestion and will set up a separate special revenue fund for any drug forfeiture funds received. As this will require computer system program changes by the City's program providers, this will be done in conjunction with other program system changes currently being discussed and considered.



**Bench Warrants** - It was noted that there is a delay in submission of bench warrants to the State. Timely submission to the State may increase collections of outstanding warrants. We recommend that additional procedures be developed and utilized in processing bench warrants on a timely basis.

**Management Response** - Management agrees with this suggestion and will set as policy a shorter time period prior to issuing affidavits. When a period of time has elapsed without collecting traffic fines an affidavit is sent to the state. The state then suspends the person's drivers license which cannot be reinstated until the outstanding traffic ticket is paid to the City. The police department will look at the time frame currently allowed and reduce it in order to speed up collections of these tickets.

**Capital Projects Fund** - During our review of the Capital Projects Fund it was noted that there is only one fund for all projects. We recommend that a separate fund be set up for each significant project in order to provide better records of these larger projects.

**Management response** - Management concurs that separate funds for significant projects would better monitor the activities of capital projects. The City changed accountants subsequent to year end and the new accountant has identified this as an area under consideration for changes. A threshold will be set for significant projects and separate funds will be established for them. Other enhancements are also under consideration to improve the quality of the information regarding capital projects.

**Accounting Procedures Manual** - We noted that the City does not have an accounting procedures manual. Written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. A well devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and possibly allow for delegation to other employees of some accounting functions management performs. It will take some time and effort for management to develop a manual; however, we believe this time will be more than offset by time saved later in training and supervising accounting personnel. Also, in the process of the comprehensive review of existing accounting procedures for the purpose of developing the manual, management might discover procedures that can be eliminated or improved to make the system more efficient and effective.

**Management response** - The City hired an outside firm to conduct interviews and create an overall policy and procedures manual. The interviews and fact finding procedures have been completed and the draft of the manual is being completed by the firm at this time. The manual is expected to be completed and presented to the City by the end of January, 2001. After the manual has been completed and placed into use by the City it will be a framework for each department to add detail regarding procedures. It is the City's intention that the manual be continually updated from input provided by each individual in the City so that it will become more complete and useful each year.

Subsequent to year end, a new accountant and assistant accountant were hired. Both are in the process of learning the accounting systems, software programs and methods being used by the City. During this learning phase, the accountant is assessing how transactions are being handled, segregation of duties, compliance and other areas relevant to the accounting department.

Most procedures are being analyzed while being performed and different methods are being considered and tried during this learning period. An accounting procedures manual will begin being prepared as procedures are determined to be satisfactory. At this point in time, everything is being considered open for modification or change as a full understanding of existing procedures is still being obtained. This will be an ongoing process considering that both accountants are new. Numerous findings and management suggestions will be implemented while planning for future changes such as GASB 34. The manual will be prepared after the procedures have been determined.

After several years of refinement, the manual should provide complete and accurate procedures to aid in training new employees in each facet of their position as well as providing answers to policy questions. In addition to being updated as procedures are changed, the manual will be reviewed annually to verify that the data is current, correct and complete.

#### **FINANCIAL CONDITION OF THE CITY**

The following information has been taken from the audited financial statements and will present a comparison of several areas of importance to the City and should be read in conjunction with those reports. For the fiscal year under review, the City experienced an outstanding year of operations.

The City is very strong financially and should be able to continue this success for many years to come.

SUMMARY OF REVENUES AND EXPENSES  
Six Years Ended June 30, 2000, 1999, 1998, 1997, 1996 and 1995

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<b>GAS FUND</b>						
Revenues	\$ 1,388,993	\$ 1,398,280	\$ 1,596,126	\$ 1,542,039	\$ 1,875,087	\$ 1,494,036
Expenses	<u>1,329,298</u>	<u>1,248,481</u>	<u>1,283,542</u>	<u>1,279,736</u>	<u>1,274,537</u>	<u>996,921</u>
Operating income	59,695	149,799	312,584	262,303	600,550	497,115
Nonoperating revenue	<u>25,413</u>	<u>18,462</u>	<u>22,145</u>	<u>16,555</u>	<u>25,152</u>	<u>17,625</u>
Net income before transfers	85,108	168,261	334,729	280,451	625,702	514,740
Transfers	<u>39,758</u>	<u>(284,700)</u>	<u>-</u>	<u>(553,204)</u>	<u>(379,700)</u>	<u>(1,000,068)</u>
Net income (loss)	<u>\$ 124,866</u>	<u>\$ (116,439)</u>	<u>\$ 334,729</u>	<u>\$ (274,346)</u>	<u>\$ 246,002</u>	<u>\$ (485,328)</u>
<b>WATER FUND</b>						
Revenues	\$ 812,784	\$ 763,300	\$ 794,319	\$ 723,011	\$ 707,064	\$ 551,103
Expenses	<u>944,651</u>	<u>882,076</u>	<u>989,802</u>	<u>1,017,583</u>	<u>914,783</u>	<u>948,971</u>
Operating (loss)	(131,867)	(118,776)	(195,483)	(294,572)	(207,719)	(397,868)
Nonoperating revenue	<u>43,803</u>	<u>45,115</u>	<u>91,004</u>	<u>126,470</u>	<u>105,757</u>	<u>76,896</u>
Net loss before transfers	(88,064)	(73,661)	(104,479)	(168,102)	(101,962)	(320,972)
Transfers	<u>339,582</u>	<u>203,426</u>	<u>186,078</u>	<u>130,643</u>	<u>191,109</u>	<u>397,553</u>
Net income (loss)	<u>\$ 251,518</u>	<u>\$ 129,765</u>	<u>\$ 81,599</u>	<u>\$ (37,459)</u>	<u>\$ 89,147</u>	<u>\$ 76,581</u>

SUMMARY OF REVENUES AND EXPENSES  
Six Years Ended June 30, 2000, 1999, 1998, 1997, 1996 and 1995

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<b>GENERAL FUND</b>						
Revenues	\$ 1,458,407	\$ 1,361,312	\$ 1,034,641	\$ 1,017,555	\$ 1,028,351	\$ 1,006,444
Expenses	<u>2,497,461</u>	<u>2,167,828</u>	<u>2,181,773</u>	<u>2,571,926</u>	<u>1,960,520</u>	<u>1,928,820</u>
Excess (deficiency)	(1,039,054)	(806,516)	(1,147,132)	(1,554,371)	(932,169)	(922,376)
Bond proceeds	230,000	-	-	-	-	-
Transfers in	726,765	1,103,100	763,068	1,627,962	1,001,447	1,079,220
Transfers out	<u>-</u>	<u>(67,625)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency)	<u>\$ (82,289)</u>	<u>\$ 228,959</u>	<u>\$ (384,064)</u>	<u>\$ 73,591</u>	<u>\$ 69,278</u>	<u>\$ 156,844</u>
<b>CAPITAL PROJECTS</b>						
Revenues	\$ 2,476,041	\$ 2,397,220	\$ 1,995,299	\$ 2,048,451	\$ 1,533,441	\$ 49,020
Expenses	<u>919,450</u>	<u>2,498,700</u>	<u>6,143,429</u>	<u>1,258,090</u>	<u>993,861</u>	<u>192,894</u>
Excess (deficiency)	1,556,591	(101,480)	(4,148,130)	790,361	539,580	(143,874)
Bond proceeds	-	-	4,250,000	-	-	-
Transfers in	762,398	648,962	572,704	727,286	806,526	476,837
Transfers out	<u>(149,684)</u>	<u>(753,460)</u>	<u>(325,508)</u>	<u>(672,085)</u>	<u>-</u>	<u>-</u>
Excess (deficiency)	<u>\$ 2,169,305</u>	<u>\$ (205,978)</u>	<u>\$ 349,066</u>	<u>\$ 55,201</u>	<u>\$ 1,346,106</u>	<u>\$ 332,963</u>
<b>SALES TAX RECEIPTS</b>	<u>\$ 1,720,926</u>	<u>\$ 1,501,320</u>	<u>\$ 1,337,477</u>	<u>\$ 1,305,998</u>	<u>\$ 1,622,581</u>	<u>\$ 951,435</u>

SUMMARY OF UNRESERVED RETAINED EARNINGS/FUND BALANCE (GENERAL FUND)  
Six Years Ended June 30, 2000, 1999, 1998, 1997, 1996 and 1995

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<b>GAS FUND</b>	\$ 726,557	\$ 578,086	\$ 606,230	\$ 236,004	\$ 563,327	\$ 293,720
<b>WATER FUND</b>	\$ 1,726,198	\$ 1,406,027	\$ 1,207,609	\$ 1,058,114	\$ 1,005,260	\$ 825,800
<b>GENERAL FUND</b>	\$ 579,374	\$ 684,359	\$ 457,341	\$ 841,324	\$ 767,960	\$ 701,686



SUMMARY OF CASH AND INVESTMENTS  
Six Years Ended June 30, 2000, 1999, 1998, 1997, 1996 and 1995

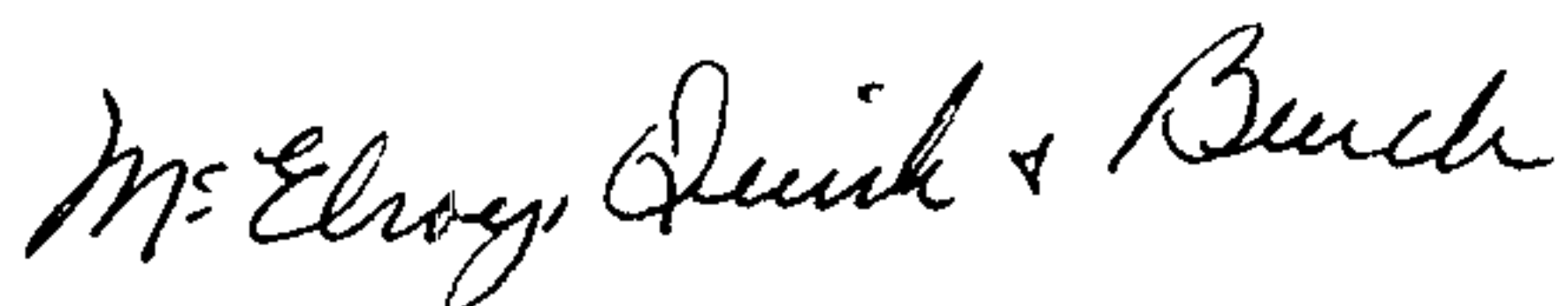
	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<b>GAS FUND</b>						
Cash	\$ 288,671	\$ 142,219	\$ 37,435	\$ 145,686	\$ 106,681	\$ 44,163
Investments	<u>142,090</u>	<u>78,407</u>	<u>6,402</u>	<u>6,120</u>	<u>5,707</u>	<u>166,660</u>
Total	<u>\$ 430,761</u>	<u>\$ 220,626</u>	<u>\$ 43,837</u>	<u>\$ 151,806</u>	<u>\$ 112,308</u>	<u>\$ 210,823</u>
 <b>WATER FUND</b>						
Cash	\$ 96,496	\$ 99,165	\$ 16,626	\$ 16,290	\$ 183,399	\$ 51,798
Investments	<u>502,433</u>	<u>848,471</u>	<u>814,299</u>	<u>2,030,472</u>	<u>1,942,817</u>	<u>1,446,123</u>
Total	<u>\$ 598,929</u>	<u>\$ 947,636</u>	<u>\$ 830,925</u>	<u>\$ 2,046,762</u>	<u>\$ 2,126,216</u>	<u>\$ 1,497,921</u>
 <b>GENERAL FUND</b>						
Cash	\$ 281,596	\$ 295,392	\$ 148,852	\$ 50,239	\$ 256,341	\$ 184,544
Investments	<u>305,571</u>	<u>85,519</u>	<u>82,649</u>	<u>85,836</u>	<u>80,169</u>	<u>56,712</u>
Total	<u>\$ 587,167</u>	<u>\$ 380,911</u>	<u>\$ 231,501</u>	<u>\$ 136,075</u>	<u>\$ 336,510</u>	<u>\$ 241,256</u>
 <b>CAPITAL PROJECTS FUND</b>						
Cash	\$ 313,649	\$ 782,963	\$ 148,143	\$ 838,727	\$ 184,817	\$ 315,079
Investments	<u>3,696,831</u>	<u>1,067,982</u>	<u>1,489,058</u>	<u>1,728,005</u>	<u>1,494,874</u>	<u>35,496</u>
Total	<u>\$ 4,010,480</u>	<u>\$ 1,850,945</u>	<u>\$ 1,637,201</u>	<u>\$ 2,566,732</u>	<u>\$ 1,679,691</u>	<u>\$ 350,575</u>

Honorable Mayor and City Council  
City of Westlake  
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**Management response:**

No response required.

This report is intended solely for the use of management and should not be used for any other purpose. We are available to discuss any questions you may have concerning the above items.

A handwritten signature in cursive script that reads "McElroy, Quirk & Burch".

Lake Charles, Louisiana  
October 26, 2000